

CITY OF HOUSTON
FINANCE DEPARTMENT
S37- Q24564
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

GENERAL INSTRUCTIONS, TERMS & CONDITIONS

The City of Houston's Finance Department is soliciting services from qualified consultancies/contractor(s) to perform Cost Allocation Plan Services.

PRE-SUBMISSION CONFERENCE

The City will conduct a Pre-Submission conference on **May 10, 2013 at 9:00 AM CDT. in SPD Conference Rm. 1 at 900 Bagby Street, (Tunnel Level), Houston, TX 77002.** Attendance to the Pre-Submission conference is optional and not mandatory.

Prospective consultancies/contractor(s) needing additional information/clarification to this request for qualification (RFQ) are requested to e-mail questions to joyce.hays@houstontx.gov. The deadline for submitting questions is **May 15, 2013 at 12:00 noon CDT. No questions will be accepted after the deadline.** All questions will be answered via letter of clarification to this RFQ and posted on the City's e-bidding website and automatically e-mailed to all who registered to receive this RFQ.

Please review the Statement of Work below. If you believe that your consultancy/firm meets the minimum requirements as outlined in the Statement of Work of the RFQ, please submit your Statement of Qualifications (SOQ) to Joyce Hays, via one of the methods listed below by **May 30, 2013 at 2:00 PM CDT. No SOQ's will be accepted after deadline.**

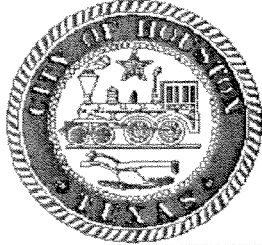
E-mail: (Preferred Method): joyce.hays@houstontx.gov

Mail: City of Houston
Strategic Purchasing Division (Suite B500, Room B520)
901 Bagby Street
Houston, Texas 77002

STATEMENT OF WORK

1.0 Background

- 1.1 The City of Houston General Fund departments provide citywide indirect central support services to other funds such as Enterprise Funds, Special Revenue Funds, Internal Service Funds and Revolving Funds. The costs of these indirect central services are determined through the preparation of a citywide full cost allocation plan and Office of Management and Budget 2 CFR (OMB Circular A-87) plan. These plans are developed in compliance with the provisions of the OMB Circular A-87 and in conformity with Generally Accepted Accounting Principles (GAAP) applied on a consistent basis.
- 1.2 Additionally, indirect cost rates are calculated as a result of the full cost allocation plan and the OMB Circular A-87 plan to recover indirect costs from Grant Funds. The reporting tools utilized to develop



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these plans are the Comprehensive Annual Financial Report (CAFR) and SAP reports. The Plans are based on actual expenditures for the appropriate fiscal year(s) ending 2014-2016.

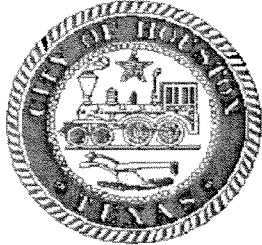
- 1.3 The City intends to enter into a contract for cost allocation services with a qualified consultant to assist the City with this initiative for a period of three years. The City is seeking qualified consultant(s) to work with City staff to develop a detailed cost allocation plan for the City of Houston in compliance with the provisions of the OMB Circular A-87 and in conformity with GAAP applied on a consistent basis. Additionally, the Plan must be submitted to City staff for review to ensure that the Plan is accurate, appropriate and complete to meet the needs of the City and the provisions of OMB and in conformity with GAAP. The selected consultant(s) will assist the City with responding to questions that pertain to the Cost Allocation Plan under review by the City of Houston cognizant agency including negotiating the City's indirect cost allocation plan and rates.

2.0 Objective

- 2.1 The objective of the RFQ process is to receive from each interested consultant(s) a formal statement of qualifications (SOQ) to assist the City with achieving its goals. The SOQ will be used to evaluate each consultant(s)' cost allocation plan services experience, capabilities, qualifications and understanding of the City's objectives. Based upon the SOQ's, the City will evaluate and narrow the field. The City reserves the right to extend an invitation to the most qualified respondent for an on-site interview to allow the City to meet the consultant's cost allocation plan services' project leads, such as the Engagement Manager, Project Manager, Technical lead and Functional lead.

3.0 Scope of Work/Services

- 3.1 The City expects the consultant(s) to provide the following services for review by the City:
- 3.1.1 Develop and submit for City review a preliminary and final detailed cost allocation plan in compliance with the provisions of the OMB Circular A-87 guidelines and in conformity with GAAP applied on a consistent basis.
- 3.1.2 Research and gather materials necessary to develop the preliminary and final plan.
- 3.1.3 Use the preliminary and final costs identified to develop, submit and maximize the City's ability to recover costs under various federal grant programs.
- 3.1.4 Identify and use the City's available financial information including the annual financial report for the appropriate fiscal year and a citywide organization chart for various City departments. Additional financial reports issued by the City may be used, if available.
- 3.1.5 Review the City's organization charts and classify all City functions into one of the three categories: (1) Executive; (2) Legislative; or (3) Judicial. Legislative costs cannot be recovered under any Federal



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grant program.

- 3.1.6 Inventory all funds to identify areas and projects with the most potential for recovery of administrative costs. This involves assisting with interviewing all departments to determine what federal funds are being received, for which programs and identify the federal agency administering these programs and the extent of recovering administrative costs.
- 3.1.7 Identify City departments that provide services to other departments, including but not limited to information technology, accounting, auditing, personnel and purchasing.
- 3.1.8 Develop the basis for allocating administrative costs to City departments in compliance with OMB Circular A-87 guidelines and in conformity with GAAP applied on a consistent basis.
- 3.1.9 Develop measurable units of service for user City departments in order to determine the allocation basis.
- 3.1.10 Prepare cost allocation worksheets for each City department calculating expenses in the appropriate fiscal year that are allowed under the OMB Circular A-87 guidelines and in conformity with GAAP applied on a consistent basis.
- 3.1.11 Summarize costs by the benefiting department. These costs must be summarized in the cost allocation plan for each department receiving services from other departments in measurable units of service.
- 3.1.12 Prepare a variance analysis including an explanation of change of the costs allocated to the departments from the prior year cost allocation plan.
- 3.1.13 Perform detailed tasks to ensure that the City's administrative costs are fully recovered.
- 3.1.14 Establish a procedure for the City to develop its own plans to recover such administrative expenses in the future.
- 3.1.15 Determine the cost of operating each program inventoried.
- 3.1.16 Prepare departmental indirect cost rates and provide the City with a spreadsheet that identifies costs associated with the operation of each program.
- 3.1.17 Present a formal cost allocation plan to the City for review showing indirect costs recoverable from Federal agencies. In addition, submit the final City approved indirect cost rate proposals (ICRP) to the City's cognizant Federal agency for review.
- 3.1.18 Negotiate City's recoverable costs pursuant to OMB Circular A-87 guidelines with Federal and State officials.

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3.1.19 Train the City's Finance Department staff to ensure the perpetuation of the plans in subsequent years. They should be exposed to all facets of the work. Their primary function will be to provide access to financial information, review the submitted plans and the liaison with City departments.

3.1.20 In addition to the OMB A-87 cost allocation plan, must deliver a full cost allocation plan for the City that takes into account all other administrative and legislative expenses not allowable under OMB Circular A-87 guidelines.

3.1.21 Deliver a full cost allocation plan for the City that takes into account all other administrative and legislative expenses not allowable under OMB Circular A-87 guidelines for the City's Fire and Police Departments and a cost allocation plan pursuant to OMB Circular A-87 guidelines for City's Fire and Police Departments.

3.1.22 Deliverables: Citywide

- Full Cost Allocation Plan
- 2 CFR (OMB Circular A-87) Plan

Houston Fire Department

- Full Cost Allocation Plan
- 2 CFR (OMB Circular A-87) Plan

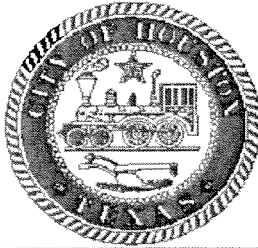
Houston Police Department

- Full Cost Allocation Plan
- 2 CFR (OMB Circular A-87) Plan

4.0 M/WBE Compliance:

4.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("M/WBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply Agreements in at least **24%** of the value of this Agreement to M/WBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the Mayor's Office of Business Opportunity (MOBO) and will comply with them.

4.2 Contractor shall require written subcontracts with all M/WBE subcontractors and shall submit all disputes with M/WBEs to binding arbitration to be conducted in Houston, Texas if directed to do so by the MOBO Director.



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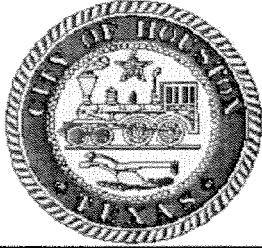
5.0 Submission of Qualifications

5.1 The City of Houston's Finance Department is requesting qualified cost allocation plan consulting service providers to submit their qualifications. To qualify for the contract award, the consultant(s) **MUST** at a minimum include:

- Provide a specific statement of qualifications (SOQ) for this RFQ. The length of the submittal document shall not exceed 10 pages (single sided). The SOQ shall state the consultant(s) qualifications and experience in the area of cost allocation services. Specific, relevant experience with developing a cost allocation plan should be highlighted.
- Provide an explanation of the consultant(s) understanding of the work that must be accomplished via this RFQ and the proposed approach detailing the steps that will be utilized to meet this RFQ's intent.
- Provide a high level project plan including phases, milestones, deliverables, and the number of days after the Notice to Proceed (NTP) that each task shall be accomplished. An example for the purpose of this submittal, shall read as (Milestone One shall be completed 30 days after NTP)
- Provide an organizational chart of proposed staff roles, resumes, licenses, designations, certifications, as applicable, availability and highlights of cost allocation plan services experience and tenure with consultant(s).
- Provide a written statement acknowledging the City's M/WBE Program and contractor's willingness to make a good-faith effort in utilizing a certified M/WBE sub-contractor for 24% of work for the contract awarded by the City.
- Provide a minimum of three references for cost allocation plan services within the past three years, preferably in the government sector.
- Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for Past Two Years.

Additionally, the documents listed below must be provided with the QP:

TABLE 1 - REQUIRED FORMS
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
Statement of Residency.doc
Drug Forms
POP-1 Pay or Play Acknowledgment Form
POP-2 Certification of Compliance w/ Pay or Play



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** All forms can be downloaded from the following link:*

http://purchasing.houstontx.gov/solicitation_forms.html Offeror will be able to click and print each required document from this site.

6.0 Qualification Evaluation Criteria

6.1 In evaluating the submitted SOQ's, the following criteria will be used when evaluating the RFQ responses and are listed in the order of importance to the City of Houston:

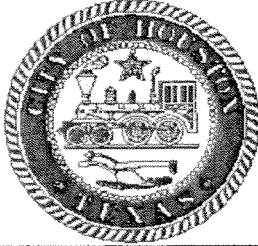
Evaluation Criteria	Allotted Points
Established and verifiable track record for providing cost allocation plan services within the past three years	15
Cost allocation plan services experience with clients of similar size to the City of Houston within the past three years	15
Ability to field an experienced and qualified team that can partner synergistically with City of Houston	20
Experience, in-depth knowledge and understanding of 2 CFR (OMB A-87) guidelines and Generally Accepted Accounting Principles (GAAP)	20
Delivery schedule including turnaround time and number of hours for cost allocation plan services requested	10
Financial Strength of Offeror	10
M/WBE Participation SPD will score	(Pass/Fail) 5
Conformance to the RFQ requirements SPD will score	(Pass/Fail) 5
Total Points	100

* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

• **HIRE HOUSTON FIRST**

Designation as a City Business or Local Business

To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or proposer must submit the **Hire**



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Houston First Application and Affidavit (“HHF Affidavit”) to the Director of the Mayor’s Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

Download the HHF Affidavit from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf

Submit the completed application forms to: Mayor’s Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to HHF-MOBO@houstontx.gov or faxed to 832.393.0952.

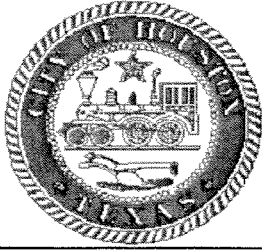
Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative---Pursuant to Chapter 15 of the City Code of Ordinances

IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “LOCAL BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “CITY BUSINESS ,”AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED N SECTION 15-181 OF THE CODE.

6.2 SELECTION PROCESS

- 6.2.1 The award of this agreement will be made to the best respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of each respondent. Therefore, the respondent shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the respondent fails to satisfy the City or the respondent is deemed unqualified to provide the services contemplated.
- 6.2.2 The City of Houston has sole discretion and reserves the right to cancel this RFQ or to reject any or all SOQ received prior to contract award.



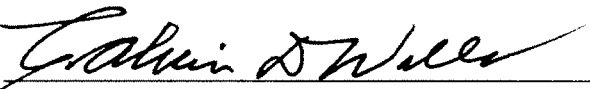
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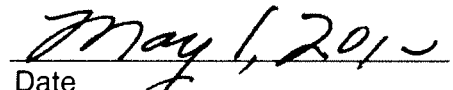
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6.2.2 The City of Houston has sole discretion and reserves the right to cancel this RFQ or to reject any or all SOQ received prior to contract award.

7.0 NO CONTACT PERIOD

7.1 Neither Offeror(s) nor any person acting on Offeror(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the award, aside from Offeror's formal response to the solicitation, communications publicly made during the official pre-proposal conference, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Offeror(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Offeror. However, nothing in this paragraph shall prevent an Offeror from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action.


Calvin D. Wells, ARA Deputy Director
City Purchasing Agent


Date